



DOWNTON PARISH COUNCIL

S137 GRANT POLICY

A Policy on Downton Parish Council's use of Section 137 of the Local Government Act 1972 when awarding a Grant.

This Policy was approved and adopted by a Meeting of the Council held on 10 June 2024.

Signed: Melanie Camilleri
(Proper Officer and Responsible Financial Officer)

Signed: Cllr Jane Brentor (Chair)

Date: 10 June 2024

S137 GRANT POLICY

What is Section 137 (S.137)?

Section 137 of the Local Government Act 1972 gives Town, Parish & Community Councils in England & Wales the ability to spend a limited amount of money for purposes for which they have no other specific statutory power. It's essentially a "power of last resort" and allows Councils to spend money on projects they believe will benefit some or all of their residents.

The amount of money that can be spent under Section 137 is capped and is usually set annually in line with inflation. This means Councils cannot endlessly spend under this provision; they have to be judicious about its use. The 2024/25 limit is £10.81 per electorate.

The Council must also ensure that the direct benefit to its area or residents is commensurate with the expenditure incurred. For example, spending £8,000 of the Council's allowance under Section 137, for the benefit of two people, is unlikely to be of equal benefit to the expenditure incurred. Councils must therefore exercise care when considering amounts of proposed expenditure under Section 137.

Section 137 Expenditure

1. Under Section 137, expenses that may be incurred by the Council include, but are not limited to: -

- ✓ **Donations to Charities:** that provide services benefiting the local community.
- ✓ **Grants and loans to Local Voluntary Bodies and Clubs:** Supporting local youth clubs, senior citizen clubs, or other community groups that offer beneficial services or activities to residents.
- ✓ **Awards and Prizes:** For local competitions, perhaps to encourage community spirit, art, or environmental awareness.

A S137 Grant Application Form must be completed and submitted to the Clerk. The application and any award of Grant must be authorised by resolution of full Council.

2. Examples where Section 137 cannot be used: -

- ✗ **Unrestricted Specific Statutory Power:** Where the Council has a specific power to spend, that is not restricted.
- ✗ **Statutory Prohibition:** Where there is a statutory prohibition on the Council carrying out a particular function.
- ✗ **Benefit of One:** S137 cannot be used to benefit a single individual. You can, however, provide a donation to a charity of which the individual belongs, as the benefit will be to "some" of the community.
- ✗ **General Power of competence:** Where the Council has the General Power of Competence, they can no longer use S137 as a power to spend for the benefit of the area.